



NSP Supportive Housing

DMH Annual Housing Institute

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Agenda

- **Introductions and Background**
- **Overview of Neighborhood Stabilization Program (NSP)**
- **Why Pursue Supportive Housing through NSP**
- **Leveraging Examples**
- **Supportive Housing Types**
- **Financing**
- **Design & Rehabilitation**
- **Property Management**
- **Services**

- **Q&A**

Intros and Background

- Intros
 - **Gigi Szabo**, Housing Director, New Directions, Inc.
 - **Marc Tousignant**, Sr. Program Director, Enterprise Community Partners, Los Angeles
- Enterprise NSP Supportive Housing Toolkit
- Participating in Local NSP Implementation

Overview of NSP

- **Housing and Economic Recovery Act (HERA) of 2008 authorized the Neighborhood Stabilization Program (NSP)**
 - Formula grants to CDBG communities
 - \$3.92 billion
 - Emergency assistance to states and localities to redevelop abandoned and foreclosed homes and residential properties
- **American Recovery and Reinvestment Act of 2009 (ARRA) created NSP2**
 - Competition to states, localities, and nonprofits (who could partner with for-profits in consortia)
 - \$2 billion
- **Dodd-Frank Wall Street Reform Act (July 2010) created NSP 3**
 - Formula grants
 - \$1 billion



Why Pursue Supportive Housing with NSP?

- **Comprehensive Neighborhood Stabilization**
- **Statutory and Regulatory Incentives**
- **Policy Incentives**
- **Leveraging**

Why Pursue Supportive Housing with NSP?

“In cities and neighborhoods where housing markets have been damaged, and are being damaged, by foreclosure and the market crippling blight that follows from foreclosure, the task of “neighborhood stabilization” is fundamentally about two things:

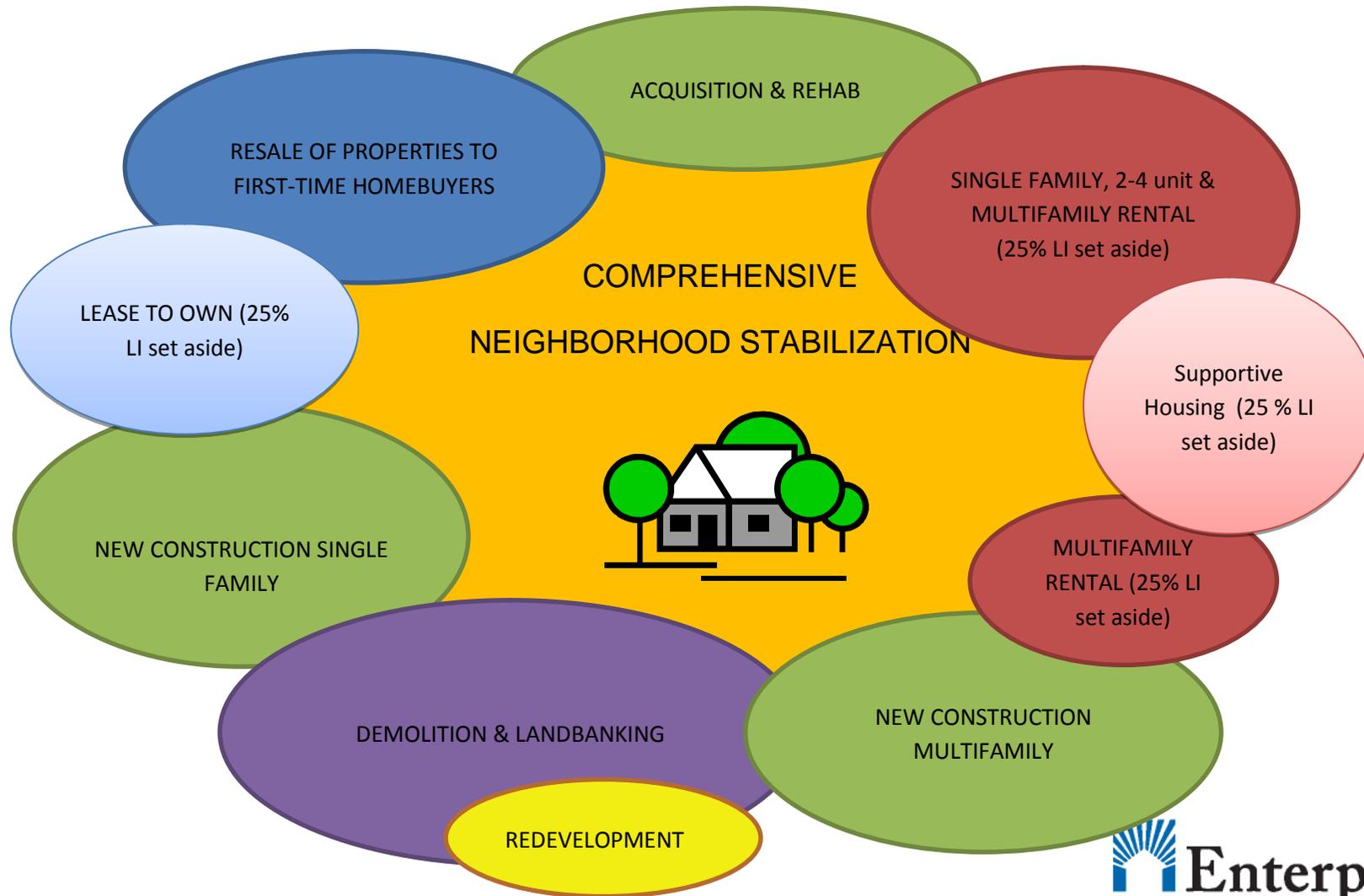
1) eliminating existing blight and converting it to beneficial use, e.g. renovation, demolition, vacant lot reuse, and

2) stopping further housing abandonment, through foreclosure prevention.”

- Frank Ford, Neighborhood Progress Inc.



Comprehensive Neighborhood Stabilization



Regulatory Considerations

- Target Areas
- **Eligible Uses/Activities (see slide)**
- Eligible Participants
- **Property Definitions (see slide)**
- **LH 25 Requirement (see slide)**
- Purchase Discount
- Tenant Protections
- Housing Counseling

Regulatory Considerations: Eligible Uses

USES

- Eligible Use A – Establishing financing mechanisms (soft seconds, loan loss reserves, etc.)
- Eligible Use B – Purchase and rehabilitate abandoned or foreclosed homes and residential properties
- Eligible Use C – Establish land banks
- Eligible Use D – Demolish blighted structures
- Eligible Use E – Redevelop demolished or vacant properties

Regulatory Considerations: Eligible Participants

- NSP funds must be used for individuals and families whose incomes do not exceed 120% of area median income (AMI)
- At least 25% of funds must be used to house individuals and families at or below 50% AMI

LH 25 Requirement

- Originated in HERA; statutory provision
- 25% of funds must house individuals or families at or below 50% AMI
- Must be permanent housing
 - Not time limited
 - Individual leases
- Can be met through vacant properties
- LH 25 Examples
 - Knoxville, TN
 - Phoenix, AZ

Property Types

- **Foreclosed**
 - 60 days delinquent and owner has been notified
 - More than 90 days delinquent on tax payments
 - Foreclosure proceedings have been initiated or completed
 - Foreclosure complete, title transferred to an intermediary aggregator or servicer that is not NSP grantee, subrecipient, developer, end user

- **Abandoned**
 - Mortgage, tribal leasehold, or tax payments at least 90 days delinquent
 - Code enforcement determined non-habitable, no owner corrective action within 90 days
 - Property subject to court-ordered receivership or nuisance abatement as defined by state or local law

- **Vacant**

Policy Implications

- Patterned after CDBG; Con Plan implications
- Address LH 25 Requirement
- Advance Strategic Plans to End Homelessness
 - Federal (USICH's *Opening New Doors*)
 - Local (Home for Good)
- Continuum of Care Planning
- Increase PSH supply; free up space on short-term housing systems
- Reduce burdens on other systems of care (emergency rooms, shelters, jails, etc)
- Housing with supportive services ensures stable tenancies, leading to stable communities

Resource Alignment and Leveraging

- Capital Resources
 - LIHTC
 - CDBG
 - HOME
 - AHP
 - MHSA
 - Local Redevelopment
 - HUD 202
 - Local Housing Trust Funds
- Operating/Rent Subsidies
 - Section 8 (PBV)
 - HOME TBRA
 - VA Grant and Per Diem
 - MHSA
 - VAWA

Leveraging Examples

- State of Oregon NSP2
- Pasco County, Florida
- Los Angeles County MHSA

Leveraging Examples: State of Oregon

- **Oregon State** formed a consortium covering seven counties and dedicated its entire NSP 2 award to Permanent Supportive Housing. Need to create housing opportunities for the state's 19,000 homeless.
- PSH defined (no length of stay, lease compliance), housing subsidies, and supportive services. Targets chronic population.
- Supportive services and/or rental subsidies capped at \$6,500/unit/year, for up to four years of operation
- Leverages other Housing Development Grant Program (Trust Fund) for capital and General Housing Account Program (Document Recording Fee) for capital and operating.
- Review Oregon's NSP 2 Supportive Housing RFP at:
http://www.oregon.gov/OHCS/pdfs/rfps/091610_NSP_PSH_2010_RFA_Final.pdf?ga=t



Leveraging Examples: Pasco County, FL

- **Pasco County, Florida**, created an investment-leveraging partnership with Neighborhood Lending Partners of West Florida
- Leverage other financing to compete for and purchase properties quickly
- As a member of the Pasco County Coalition on Homelessness, including a supportive housing component to their neighborhood stabilization strategy was a priority.
- Special needs housing was one component of their NSP 2 plan
- Review Pasco County's NSP Action Plan and Related Documents at:
http://portal.pascocountyfl.net/portal/server.pt/directory/neighborhood_stabilization_program_application_to_hud/666

Leveraging Examples: Los Angeles County MHSA

- **Los Angeles County Department of Mental Health** set-aside \$1.2 million in MHSA funds to leverage NSP to create supportive housing for homeless adults living with mental illness.
- Under the shared housing program, MHSA funds can be used to fund a portion of acquisition and rehabilitation, and a long term operating subsidy.
- Review LA County DMH's RFP for NSP shared housing at:
[http://dmh.lacounty.gov/ToolsForAdministrators/Agency_Administrati on/Current_Open_Solicitations/documents/Revised%20Expression %20of%20Interest%20\(Amended%20November%2019%202010](http://dmh.lacounty.gov/ToolsForAdministrators/Agency_Administrati on/Current_Open_Solicitations/documents/Revised%20Expression %20of%20Interest%20(Amended%20November%2019%202010)

Opportunities for Partnership

- State and local HFAs and HCDs
- Public Housing Authorities
- Continuum of Care programs
- Mental Health departments
- Substance Abuse/Drug and Alcohol departments
- HOPWA or Ryan White CARE Act
- VA or Veterans Service Organizations
- Nonprofit affordable/PSH developers/providers
- Homeless coalitions

Additional Resources

- NSP Resource Exchange - <http://hudnsphelp.info/>
 - One-stop shop for all things NSP
 - Includes toolkits, FAQs, policy guidance, upcoming trainings
 - Grantee search feature

- City of Los Angeles NSP
 - Los Angeles Housing Department (grantee)
 - Restore Neighborhoods Los Angeles (subrecipient):
 - <http://restoreneighborhoodsla.org/>
 - South Los Angeles and San Fernando Valley

www.enterprisecommunity.org
www.enterprisecommunity.com

